

active
STATINTL

[REDACTED]
applied cybernetics

WRC
13 May 1960

File: 418.1

[REDACTED]
Deputy, Chief of Staff
Intelligence Headquarters
United States Air Force
Washington 25, D. C.

STATINTL
STATINTL
Subject: Contract [REDACTED]

Dear Major Beily:

STATINTL
[REDACTED] has asked me to provide you with additional information concerning the subject contract. At our present rate of expenditure, existing funds will be exhausted by the end of May 1960. We have reappraised the program and are able to iterate that the requested additional funds in the amount of [REDACTED] will be sufficient to complete performance of the subject contract.

STATINTL
Perhaps some background information would assist you in evaluating this requirement for additional funds. When work on Units No. 2 and No. 3 was suspended, all the equipment concerned had to be tagged, packed, stored and covered. We continued work on Unit No. 1 to completion with a limited personnel force. Other personnel were either reassigned or discharged. When Unit No. 1 was shipped all work on the contract ceased and the remaining personnel concerned were reassigned to other jobs.

Reinstituting the work schedule required a considerable adjustment in our former program. Principally, we have maintained minimum documentation of this job, relying on the availability of the preceeding units as a model, together with sketches, photographs and that detailed information which the individuals concerned would retain in their memories in a continuous program. Detailed documentation of this job would have increased the cost inordinately. Consequently, when the program was resumed, the equipment which had previously been stored had to be unpacked, reorganized and the schedules and photographs were studied extensively. Additional inefficiencies were experienced through the normal process of re-scheduling personnel onto the job. Progress has also been slow because we have not had Unit No. 1 available as a ready reference in the final fabrication and initial assemblies of Units No. 2 and No. 3.

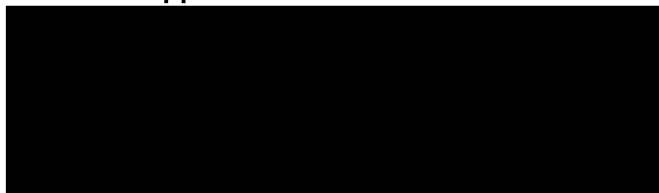
Finally, several months of total disassociation from the job has dimmed the memories of those few people remaining from the initial period of STATINTL contract. For these reasons, we have not been able to establish and maintain the efficiency which we had achieved during the early part of this contract and against which we estimated our previous requirement for an additional [REDACTED]

Declass Review by NIMA / DoD

Approve [REDACTED]

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13 May 1960

It may be of interest to note that not only our experience, but also the experience of other manufacturers reveals that total discontinuity in a development program usually results in approximately 25% additional cost. We use this figure as a planning factor in our development work, particularly concerning Company sponsored development. It may also be interesting to note the impact of another facet of discontinuity in development work, when it is necessary to discharge and subsequently hire Engineering personnel. A recent survey within the industry has revealed that the average direct cost to hire qualified Engineers varies between [REDACTED]

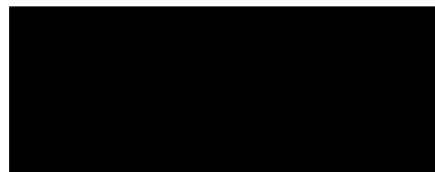
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[REDACTED] advised me that you would be briefing [REDACTED] on STATINTL matter in the near future. I am presently planning to be in the Washington area during the week of 23 May. If I can provide any additional information or be of any further assistance either to you or to [REDACTED] please STATINTL feel free to call on me.

STATINTL

Sincerely yours,



VICE-PRESIDENT, ENGINEERING

STATINTL

JCP/mg

CC: [REDACTED]